

How Does It Work?

A community will reduce the taxes on property for 12 years in designated areas to promote the revitalization of those neighborhoods. Developers and owners must first seek approval for the NEZ benefits before starting a project.

There are two different types of projects that can be undertaken in an NEZ:

- A *rehabilitated facility* is defined as an existing structure or a portion of an existing structure with a current true cash value of \$80,000 or less per unit that has or will have as its primary purpose residential housing consisting of 1–8 units.
- A new *facility* is defined as a new structure or portion of a new structure that has as its primary purpose residential housing consisting of one or two units, one of which will be owner occupied as a principal residence. This definition includes a new individual condominium unit, in a structure with one or more condominium units, that has as its primary purpose residential housing which will be owner-occupied as a principal residence. This *definition does not include apartments*.